



General Assembly

**Bill No. 50**

February Session, 2006

LCO No. 808

\*00808\_\_\_\_\_\*

Referred to Committee on Finance, Revenue and Bonding

Introduced by:

SEN. DELUCA, 32<sup>nd</sup> Dist.

REP. WARD, 86<sup>th</sup> Dist.

***AN ACT ELIMINATING THE PERSONAL PROPERTY TAX ON  
CERTAIN MOTOR VEHICLES AND ESTABLISHING A CASINO  
ASSISTANCE REVENUE FUND.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1       Section 1. (NEW) (*Effective July 1, 2006*) There is established a Casino  
2       Assistance Revenue Fund which shall be a separate nonlapsing fund  
3       administered by the State Treasurer. The fund shall contain any  
4       moneys required by law to be deposited in the fund. Investment  
5       earnings credited to the assets of the fund shall become part of the  
6       assets of the fund. All moneys in the fund shall be used for the  
7       purposes of section 8 of this act.

8       Sec. 2. (NEW) (*Effective July 1, 2006*) On and after August 1, 2006, all  
9       funds received by the state pursuant to a memorandum of  
10      understanding with an Indian tribe, shall be deposited into the Casino  
11      Assistance Revenue Fund established by section 1 of this act.

12      Sec. 3. (NEW) (*Effective July 1, 2006*) (a) For the fiscal years ending  
13      June 30, 2007, to June 30, 2011, inclusive, if the amount payable in

14 accordance with section 8 of this act is greater than the amount of  
15 funds expected to be received pursuant to section 2 of this act, there  
16 shall be a transfer as specified in subsection (b) of this section from the  
17 resources of the General Fund to the fund created in section 1 of this  
18 act of an amount equal to the difference between the amount of said  
19 total grant payable and the amount of funds expected to be received  
20 pursuant to section 2 of this act.

21 (b) The Office of Policy and Management shall notify the  
22 Comptroller of the amount to be transferred from the General Fund  
23 pursuant to subsection (a) of this section. During the fiscal years  
24 ending June 30, 2007, to June 30, 2011, inclusive, the Comptroller shall  
25 transfer one-half of such amount on or before the thirty-first day of  
26 July of such fiscal year, one-quarter of such amount on or before the  
27 thirty-first day of January of such fiscal year, and any amount required  
28 to equal the total grant payable in accordance with section 8 of this act,  
29 on or before the thirty-first day of July in the following fiscal year.

30 Sec. 4. Section 3-55i of the 2006 supplement to the general statutes is  
31 repealed and the following is substitute in lieu thereof (*Effective July 1,*  
32 *2006*):

33 There is established the ["Mashantucket Pequot and Mohegan  
34 Fund" which shall be a separate nonlapsing fund. All funds received  
35 by the state of Connecticut from the Mashantucket Pequot Tribe  
36 pursuant to the joint memorandum of understanding entered into by  
37 and between the state and the tribe on January 13, 1993, as amended  
38 on April 30, 1993, and any successor thereto, shall be deposited in the  
39 General Fund. During the fiscal year ending June 30, 2000, and each  
40 fiscal year thereafter, one hundred thirty-five million dollars, received  
41 by the state from the tribe pursuant to said joint memorandum of  
42 understanding, as amended, and any successor thereto, shall be  
43 transferred to the Mashantucket Pequot and Mohegan Fund and]  
44 Supplemental Municipal Assistance Grant which shall be paid from  
45 the General Fund. Commencing with the fiscal year ending June 30,

46 2007, and each fiscal year thereafter, eighty-six million two hundred  
47 fifty thousand dollars shall be distributed by the Office of Policy and  
48 Management, during [said] such fiscal year, in accordance with the  
49 provisions of section 3-55j, as amended by this act. The amount of the  
50 grant payable to each municipality during any fiscal year, in  
51 accordance with said section, shall be reduced proportionately if the  
52 total of such grants exceeds the amount of funds available for such  
53 year. The grant shall be paid in three installments as follows: The  
54 Secretary of the Office of Policy and Management shall, annually, not  
55 later than the fifteenth day of December, the fifteenth day of March  
56 and the fifteenth day of June certify to the Comptroller the amount due  
57 each municipality under the provisions of section 3-55j, as amended by  
58 this act, and the Comptroller shall draw an order on the Treasurer on  
59 or before the fifth business day following the fifteenth day of  
60 December, the fifth business day following the fifteenth day of March  
61 and the fifth business day following the fifteenth day of June and the  
62 Treasurer shall pay the amount thereof to such municipality on or  
63 before the first day of January, the first day of April and the thirtieth  
64 day of June.

65 Sec. 5. Section 3-55j of the 2006 supplement to the general statutes is  
66 repealed and the following is substituted in lieu thereof (*Effective July*  
67 *1, 2006*):

68 (a) Twenty million dollars of the moneys available in the  
69 [Mashantucket Pequot and Mohegan Fund] Supplemental Municipal  
70 Assistance Grant established by section 3-55i, as amended by this act,  
71 shall be paid to municipalities eligible for a state grant in lieu of taxes  
72 pursuant to section 12-19a in addition to the grants payable to such  
73 municipalities pursuant to section 12-19a, subject to the provisions of  
74 subsection (b) of this section. Such grant shall be calculated under the  
75 provisions of section 12-19a and shall equal one-third of the additional  
76 amount which such municipalities would be eligible to receive if the  
77 total amount available for distribution were eighty-five million two  
78 hundred five thousand eighty-five dollars and the percentage of

79 reimbursement set forth in section 12-19a were increased to reflect  
80 such amount. Any eligible special services district shall receive a  
81 portion of the grant payable under this subsection to the town in  
82 which such district is located. The portion payable to any such district  
83 under this subsection shall be the amount of the grant to the town  
84 under this subsection which results from application of the district mill  
85 rate to exempt property in the district. As used in this subsection and  
86 subsection (c) of this section, "eligible special services district" means  
87 any special services district created by a town charter, having its own  
88 governing body and for the assessment year commencing October 1,  
89 1996, containing fifty per cent or more of the value of total taxable  
90 property within the town in which such district is located.

91 (b) No municipality shall receive a grant pursuant to subsection (a)  
92 of this section which, when added to the amount of the grant payable  
93 to such municipality pursuant to section 12-19a, would exceed one  
94 hundred per cent of the property taxes which would have been paid  
95 with respect to all state-owned real property, except for the exemption  
96 applicable to such property, on the assessment list in such  
97 municipality for the assessment date two years prior to the  
98 commencement of the state fiscal year in which such grants are  
99 payable, except that, notwithstanding the provisions of said subsection  
100 (a), no municipality shall receive a grant pursuant to said subsection  
101 which is less than one thousand six hundred sixty-seven dollars.

102 (c) Twenty million one hundred twenty-three thousand nine  
103 hundred sixteen dollars of the moneys available in the [Mashantucket  
104 Pequot and Mohegan Fund] Supplemental Municipal Assistance Grant  
105 established by section 3-55i, as amended by this act, shall be paid to  
106 municipalities eligible for a state grant in lieu of taxes pursuant to  
107 section 12-20a, in addition to and in the same proportion as the grants  
108 payable to such municipalities pursuant to section 12-20a, subject to  
109 the provisions of subsection (d) of this section. Any eligible special  
110 services district shall receive a portion of the grant payable under this  
111 subsection to the town in which such district is located. The portion

112 payable to any such district under this subsection shall be the amount  
113 of the grant to the town under this subsection which results from  
114 application of the district mill rate to exempt property in the district.

115 (d) Notwithstanding the provisions of subsection (c) of this section,  
116 no municipality shall receive a grant pursuant to said subsection  
117 which, when added to the amount of the grant payable to such  
118 municipality pursuant to section 12-20a, would exceed one hundred  
119 per cent of the property taxes which, except for any exemption  
120 applicable to any private nonprofit institution of higher education,  
121 nonprofit general hospital facility or free standing chronic disease  
122 hospital under the provisions of section 12-81, as amended, would  
123 have been paid with respect to such exempt real property on the  
124 assessment list in such municipality for the assessment date two years  
125 prior to the commencement of the state fiscal year in which such grants  
126 are payable.

127 (e) Thirty-five million dollars of the moneys available in the  
128 [Mashantucket Pequot and Mohegan Fund] Supplemental Municipal  
129 Assistance Grant established by section 3-55i, as amended by this act,  
130 shall be paid to municipalities in accordance with the provisions of  
131 section 7-528, except that for the purposes of section 7-528, "adjusted  
132 equalized net grand list per capita" means the equalized net grand list  
133 divided by the total population of a town, as defined in subdivision (7)  
134 of subsection (a) of section 10-261, multiplied by the ratio of the per  
135 capita income of the town to the per capita income of the town at the  
136 one hundredth percentile among all towns in the state ranked from  
137 lowest to highest in per capita income, and "equalized net grand list"  
138 means the net grand list of such town upon which taxes were levied  
139 for the general expenses of such town two years prior to the fiscal year  
140 in which a grant is to be paid, equalized in accordance with section 10-  
141 261a.

142 (f) Five million four hundred seventy-five thousand dollars of the  
143 moneys available in the [Mashantucket Pequot and Mohegan Fund]

144 Supplemental Municipal Assistance Grant established by section 3-55i,  
 145 as amended by this act, shall be paid to the following municipalities in  
 146 accordance with the provisions of section 7-528, except that for the  
 147 purposes of said section 7-528, "adjusted equalized net grand list per  
 148 capita" means the equalized net grand list divided by the total  
 149 population of a town, as defined in subdivision (7) of subsection (a) of  
 150 section 10-261, multiplied by the ratio of the per capita income of the  
 151 town to the per capita income of the town at the one hundredth  
 152 percentile among all towns in the state ranked from lowest to highest  
 153 in per capita income, and "equalized net grand list" means the net  
 154 grand list of such town upon which taxes were levied for the general  
 155 expenses of such town two years prior to the fiscal year in which a  
 156 grant is to be paid, equalized in accordance with section 10-261a:  
 157 Bridgeport, Hamden, Hartford, Meriden, New Britain, New Haven,  
 158 New London, Norwalk, Norwich, Waterbury and Windham.

159 (g) Notwithstanding the provisions of subsections (a) to (f),  
 160 inclusive, of this section, the total grants paid to the following  
 161 municipalities from the moneys available in the [Mashantucket Pequot  
 162 and Mohegan Fund] Supplemental Municipal Assistance Grant  
 163 established by section 3-55i, as amended by this act, shall be as follows:

T1	Bloomfield	\$ 267,489
T2	Bridgeport	10,506,506
T3	Bristol	1,004,050
T4	Chaplin	141,725
T5	Danbury	1,612,564
T6	Derby	432,162
T7	East Hartford	522,421
T8	East Lyme	488,160
T9	Groton	2,037,088
T10	Hamden	1,592,270
T11	Manchester	1,014,244
T12	Meriden	1,537,900
T13	Middletown	2,124,960

T14	Milford	676,535
T15	New Britain	3,897,434
T16	New London	2,649,363
T17	North Haven	268,582
T18	Norwalk	1,451,367
T19	Norwich	1,662,147
T20	Preston	461,939
T21	Rocky Hill	477,950
T22	Stamford	1,570,767
T23	Union	38,101
T24	Voluntown	156,902
T25	Waterbury	5,179,655
T26	Wethersfield	371,629
T27	Windham	1,307,974
T28	Windsor Locks	754,833

164 (h) For the fiscal year ending June 30, 1999, and each fiscal year  
165 thereafter, if the amount of grant payable to a municipality in  
166 accordance with this section is increased as the result of an  
167 appropriation to the [Mashantucket Pequot and Mohegan Fund]  
168 Supplemental Municipal Assistance Grant for such fiscal year which  
169 exceeds eighty-five million dollars, the portion of the grant payable to  
170 each eligible service district, in accordance with subsections (a) and (c)  
171 of this section shall be increased by the same proportion as the grant  
172 payable to such municipality under this section as a result of said  
173 increased appropriation.

174 (i) For the fiscal year ending June 30, 2003, to the fiscal year ending  
175 June 30, 2006, inclusive, the municipalities of Ledyard, Montville,  
176 Norwich, North Stonington and Preston shall each receive a grant of  
177 five hundred thousand dollars which shall be paid from the  
178 [Mashantucket Pequot and Mohegan Fund] Supplemental Municipal  
179 Assistance Grant established by section 3-55i, as amended by this act,  
180 and which shall be in addition to the grants paid to said municipalities

181 pursuant to subsections (a) to (g), inclusive, of this section.

182 (j) For the fiscal years ending June 30, 2000, June 30, 2001, and June  
183 30, 2002, the sum of forty-nine million seven hundred fifty thousand  
184 dollars shall be paid to municipalities, and for the fiscal year ending  
185 June 30, 2003, and each fiscal year thereafter, the sum of forty-seven  
186 million five hundred thousand dollars shall be paid to municipalities,  
187 in accordance with this subsection, from the [Mashantucket Pequot  
188 and Mohegan Fund] Supplemental Municipal Assistance Grant  
189 established by section 3-55i, as amended by this act. The grants  
190 payable under this subsection shall be used to proportionately increase  
191 the amount of the grants payable to each municipality in accordance  
192 with subsections (a) to (i), inclusive, of this section and shall be in  
193 addition to the grants payable under subsections (a) to (g), inclusive, of  
194 this section.

195 (k) The amount of the grant payable to each municipality in  
196 accordance with subsection (j) of this section shall be reduced  
197 proportionately in the event that the total of the grants payable to each  
198 municipality pursuant to this section exceeds the amount appropriated  
199 for such grants with respect to such year.

200 Sec. 6. Section 3-55l of the 2006 supplement to the general statutes is  
201 repealed and the following is substituted in lieu thereof (*Effective July*  
202 *1, 2006*):

203 (a) For the fiscal year ending June 30, 2006, the municipalities of  
204 Ledyard, Montville, Norwich, North Stonington and Preston shall each  
205 receive a grant of two hundred fifty thousand dollars which shall be  
206 paid from the [Mashantucket Pequot and Mohegan Fund]  
207 Supplemental Municipal Assistance Grant established by section 3-55i,  
208 as amended by this act, and which shall be in addition to the grants  
209 paid to said municipalities pursuant to section 3-55j, as amended by  
210 this act.

211 (b) For the fiscal year ending June 30, 2007, and each fiscal year



212 thereafter, the municipalities of Ledyard, Montville, Norwich, North  
213 Stonington and Preston shall each receive a grant of seven hundred  
214 fifty thousand dollars which shall be paid from said [fund] grant and  
215 which shall be in addition to the grants paid to said municipalities  
216 pursuant to section 3-55j, as amended by this act.

217 (c) The grants payable in accordance with this section shall be  
218 determined prior to the determination of grants pursuant to said  
219 section 3-55j, as amended by this act, and shall not be reduced  
220 proportionately if the total of the grants payable to each municipality  
221 pursuant to said section exceeds the amount appropriated for grants  
222 pursuant to section 3-55i, as amended by this act, with respect to each  
223 such year.

224 Sec. 7. Subsection (b) of section 22a-27j of the general statutes is  
225 repealed and the following is substituted in lieu thereof (*Effective July*  
226 *1, 2006*):

227 (b) Not later than three months following the close of each fiscal  
228 year starting with fiscal year July 1, 2000, the Department of  
229 Environmental Protection shall identify those municipalities that are  
230 not in compliance with subsection (a) of this section for the previous  
231 fiscal year and shall provide the Office of Policy and Management with  
232 a list of such municipalities. The list shall be submitted annually and in  
233 such manner as the Office of Policy and Management may require. The  
234 Office of Policy and Management, when issuing the first payment from  
235 the [Mashantucket Pequot and Mohegan Fund] Supplemental  
236 Municipal Assistance Grant established pursuant to section 3-55i, as  
237 amended by this act, in the fiscal year during which said list is  
238 received, shall reduce said payment to a municipality by one thousand  
239 dollars for each quarter of the preceding fiscal year that the  
240 municipality has not been in compliance with subsection (a) of this  
241 section to a maximum of four thousand dollars in each fiscal year. The  
242 Office of Policy and Management shall certify to the State Comptroller  
243 the amount of any funds withheld under this subsection to be

244 transferred to the Environmental Quality Fund for the uses set forth in  
245 subsection (a) of this section, and the State Comptroller shall cause said  
246 amount to be transferred to such fund.

247       Sec. 8. (NEW) (*Effective July 1, 2006*) (a) Each municipality that levied  
248 a property tax in the fiscal year commencing July 1, 2005, for motor  
249 vehicles assessed on such municipality's grand list of October 1, 2004,  
250 shall be entitled to an annual grant determined in accordance with this  
251 section. As used in this section, "municipality" means any town,  
252 consolidated town and city, consolidated town and borough, borough,  
253 district, as defined in section 7-324 of the general statutes, and any city  
254 not consolidated with a town.

255       (b) (1) The Secretary of the Office of Policy and Management shall  
256 determine the amount payable to each municipality from the fund  
257 created under section 1 of this act. The total amount of each  
258 municipality's grant shall be the sum of the amounts derived from the  
259 calculations made pursuant to subsections (d) and (e) of this section.  
260 Said secretary shall certify to the Comptroller four payments in each  
261 fiscal year, each of which shall equal twenty-five per cent of the total  
262 amount of the grant to which each municipality is entitled. The  
263 Comptroller shall draw an order on the Treasurer on or before the fifth  
264 business day following the date on which said secretary certifies each  
265 such payment and the Treasurer shall pay the amount thereof to such  
266 municipality not later than the last day of the month during which the  
267 Comptroller's order is drawn. For the fiscal year commencing July 1,  
268 2006, and each fiscal year thereafter, said secretary shall certify such  
269 payments to the Comptroller on or before the fifteenth day of  
270 September, the fifteenth day of October, the fifteenth day of March and  
271 the fifteenth day of April.

272       (2) In any fiscal year during which the total amount the Treasurer  
273 receives, pursuant to section 2 of this act, is in excess of the total  
274 amount of the grants paid under this section during said fiscal year,  
275 the amount of said excess revenue shall be distributed proportionately

276 to municipalities in the first grant payment said secretary certifies in  
277 the fiscal year next following.

278 (c) (1) Except as provided in subdivision (2) of this subsection, a  
279 municipality's tax rate shall be the result derived by dividing the total  
280 tax a municipality levied in the fiscal year commencing July 1, 2005, for  
281 the taxable motor vehicles assessed on said municipality's grand list of  
282 October 1, 2004, by the total net assessment of such motor vehicles.

283 (2) In the event a town or consolidated town and city levied a tax for  
284 motor vehicles in the fiscal year commencing July 1, 2005, at a single  
285 mill rate that differs from the mill rate or rates the town or  
286 consolidated town and city used to determine the real property tax  
287 levy for said fiscal year, the tax rate for such town or consolidated  
288 town and city shall be determined as follows: The total tax the town or  
289 consolidated town and city levied in the fiscal year commencing July 1,  
290 2005, for the taxable motor vehicles assessed on such town's or  
291 consolidated town and city's grand list of October 1, 2004, shall be  
292 divided by the mill rate the taxing jurisdiction used to levy the tax on  
293 such vehicles and the result shall be multiplied by the highest mill rate  
294 such town or consolidated town and city used to determine the real  
295 property tax levy in said fiscal year.

296 (3) The adjusted tax rate for each municipality shall be calculated by  
297 multiplying the tax rate determined under this subsection by a  
298 percentage as follows: One hundred per cent for a municipality that  
299 last implemented a revaluation effective October 1, 2004; ninety-seven  
300 per cent for a municipality that last implemented a revaluation  
301 effective October 1, 2003; ninety-four per cent for a municipality that  
302 last implemented a revaluation effective October 1, 2002; ninety-one  
303 per cent for a municipality that last implemented a revaluation  
304 effective October 1, 2001; eighty-eight per cent for a municipality that  
305 last implemented a revaluation effective October 1, 2000; and eighty-  
306 five per cent for a municipality that last implemented a revaluation  
307 effective October 1, 1999.

308 (d) Each municipality's adjusted tax rate shall be multiplied by the  
309 total of the net assessments included on the October 1, 2004 grand list  
310 for all passenger vehicles and motorcycles, as defined in section 14-1 of  
311 the 2006 supplement to the general statutes, with respect to which the  
312 Commissioner of Motor Vehicles issued a registration that did not  
313 allow use of such passenger vehicle or motorcycle for commercial  
314 purposes or for a combination of passenger and commercial purposes,  
315 and with respect to which a property tax was levied in the fiscal year  
316 commencing July 1, 2005, provided: (1) A natural person owned such  
317 passenger vehicle or motorcycle; or (2) a natural person leased such  
318 passenger vehicle or motorcycle pursuant to a written agreement with  
319 the lessor, the terms of which assign to such natural person  
320 responsibility for the payment of the property tax for such passenger  
321 vehicle or motorcycle, regardless of the method by which such  
322 assignment occurred, and further provided the lessor is a licensee, in  
323 accordance with section 14-15 of the general statutes, who is engaged  
324 primarily in leasing motor vehicles on a long-term basis, rather than in  
325 renting motor vehicles on a per diem basis.

326 (e) (1) Except as provided in subdivision (2) of this subsection, the  
327 percentage that the total net assessment for all passenger vehicles and  
328 motorcycles, described in subsection (d) of this section, bears to the  
329 total net assessment of all motor vehicles for which the municipality  
330 levied a tax for the assessment year commencing October 1, 2004, shall  
331 be multiplied by the total tax levied in the fiscal year commencing July  
332 1, 2004, for all taxable motor vehicles assessed on the municipality's  
333 October 1, 2003 supplemental grand list.

334 (2) For any town or consolidated town and city that levied a tax for  
335 motor vehicles in the fiscal year commencing July 1, 2004, at a single  
336 mill rate that differs from the mill rate or rates such town or  
337 consolidated town and city used to determine the real property tax  
338 levy for said fiscal year, said secretary shall calculate the total tax levy  
339 for all motor vehicles assessed by such town or consolidated town and  
340 city on the October 1, 2003, supplemental grand list as follows: The

341 total tax the town or consolidated town and city levied in the fiscal  
342 year commencing July 1, 2005, for the taxable motor vehicles assessed  
343 on said municipality's October 1, 2003, supplemental grand list, shall  
344 be divided by the mill rate the taxing jurisdiction used to levy the tax  
345 on such vehicles and the result shall be multiplied by the highest mill  
346 rate said town or consolidated town and city used to determine the  
347 real property tax levy for said fiscal year. The total tax levy for the  
348 October 1, 2003, supplemental grand list so calculated for such town or  
349 consolidated town and city shall be multiplied by the percentage that  
350 the total net assessment for all passenger motor vehicles and  
351 motorcycles, described in subsection (d) of this section, bears to the  
352 total net assessment of all taxable motor vehicles on such town's or  
353 consolidated town and city's grand list of October 1, 2004.

354 (f) Each municipality shall submit any data the secretary may  
355 require for the purpose of determining the grant under this section in a  
356 form and manner as said secretary may prescribe. Upon receipt of a  
357 request from said secretary, a municipality shall provide any  
358 additional information said secretary may require with respect to the  
359 data submitted. Said secretary may revise a municipality's grant upon  
360 finding that such grant was determined on the basis of inaccurate data  
361 or an incorrect calculation. Any addition or reduction to a  
362 municipality's grant due to any such a revision shall be reflected in any  
363 remaining payments said secretary certifies in the fiscal year during  
364 which said grant is revised or in the fiscal year next following.

365 Sec. 9. Section 12-81 of the 2006 supplement to the general statutes is  
366 amended by adding subdivision (76) as follows (*Effective from passage*  
367 *and applicable to assessment years commencing on or after October 1, 2005*):

368 (NEW) (76) Each passenger vehicle and motorcycle, as defined in  
369 section 14-1 of the 2006 supplement to the general statutes, with  
370 respect to which the Commissioner of Motor Vehicles issues a  
371 registration that does not allow the use of such passenger vehicle or  
372 motorcycle for commercial purposes or for a combination of passenger

373 and commercial purposes, and which: (A) A natural person owns; or  
374 (B) a natural person leases pursuant to a written lease agreement, the  
375 terms of which assign responsibility for any potential property tax  
376 payment to said natural person, regardless of whether a charge for  
377 such tax is separately stated in such lease agreement, or on a bill or  
378 invoice that may be rendered to such natural person by either a taxing  
379 jurisdiction or the lessor, and further provided said lessor is a licensee,  
380 under section 14-15 of the general statutes, who engages primarily in  
381 the long-term leasing of motor vehicles, rather than in renting motor  
382 vehicles on a per diem basis.

383 Sec. 10. Section 14-163 of the general statutes is repealed and the  
384 following is substituted in lieu thereof (*Effective July 1, 2006*):

385 (a) The commissioner shall compile information concerning motor  
386 vehicles and snowmobiles subject to property taxation pursuant to  
387 [section 12-71] chapter 203 using the records of the Department of  
388 Motor Vehicles and information reported by owners of motor vehicles  
389 and snowmobiles. In addition to any other information the owner of a  
390 motor vehicle or snowmobile is required to file with the commissioner  
391 by law, such owner shall provide the commissioner with the name of  
392 the town in which such owner's motor vehicle or snowmobile is to be  
393 set in the list for property tax purposes, pursuant to [section 12-71]  
394 chapter 203. On or before December 1, 2004, and annually thereafter,  
395 the commissioner shall furnish to each assessor in this state a list  
396 identifying motor vehicles and snowmobiles that are subject to  
397 property taxation in each such assessor's town. Said list shall include  
398 the names and addresses of the owners of such motor vehicles and  
399 snowmobiles, together with the vehicle identification numbers for all  
400 such vehicles for which such numbers are available.

401 (b) On or before October 1, 2004, and annually thereafter, the  
402 commissioner shall furnish to each assessor in this state a list  
403 identifying motor vehicles and snowmobiles in each such assessor's  
404 town that were registered subsequent to the first day of October of the

405 assessment year immediately preceding, but prior to the first day of  
406 August in such assessment year, and that are subject to property  
407 taxation on a supplemental list pursuant to [section 12-71b] chapter  
408 203. In addition to the information for each such vehicle and  
409 snowmobile specified under subsection (a) of this section that is  
410 available to the commissioner, the list provided under this subsection  
411 shall include a code related to the date of registration of each such  
412 vehicle or snowmobile.

413       Sec. 11. (NEW) (*Effective July 1, 2006*) (a) Any person, firm or  
414 corporation licensed pursuant to section 14-15 of the general statutes,  
415 having executed a written agreement with a natural person for the  
416 lease of a passenger vehicle or motorcycle that is exempt from  
417 property taxation pursuant to subdivision (76) of section 12-81, as  
418 amended by this act, shall, if such agreement provides for the  
419 collection of a periodic fee for all or a portion of a property tax liability  
420 assigned to such natural person, return or cause to be credited to any  
421 periodic fee remaining under such agreement any amount collected  
422 toward the payment of a property tax liability that is eliminated as a  
423 result of the effective date of this section. Any such licensee shall  
424 reopen and renegotiate the terms of any such written agreement in  
425 order to remove the provisions that allow for the collection of any such  
426 fee for future payments of a property tax with respect to such  
427 passenger vehicle.

428       (b) On or before the first day of October of each year, each such  
429 licensee who leases a passenger vehicle or motorcycle that is exempt  
430 from property taxation pursuant to subdivision (76) of section 12-81, as  
431 amended by this act, shall submit to the Commissioner of Motor  
432 Vehicles, in the form and manner said commissioner may require,  
433 information concerning the name and address of each natural person  
434 leasing such a passenger vehicle or motorcycle from said licensee.

435       Sec. 12. (NEW) (*Effective July 1, 2006*) If the provisions of this act  
436 would cause any person to lose the benefit of a property tax exemption

437 to which such person is entitled as of October 1, 2005, the assessor shall  
438 transfer the amount of said exemption to other eligible property of  
439 such person that is subject to taxation for the assessment year  
440 commencing October 1, 2005.

441 Sec. 13. Section 12-704c of the 2006 supplement to the general  
442 statutes is repealed and the following is substituted in lieu thereof  
443 (*Effective from passage and applicable to taxable years commencing on or after*  
444 *January 1, 2006*):

445 (a) Any resident of this state, as defined in subdivision (1) of  
446 subsection (a) of section 12-701, as amended, subject to the tax under  
447 this chapter for any taxable year shall be entitled to a credit in  
448 determining the amount of tax liability under this chapter, for all or a  
449 portion, as permitted by this section, of the amount of property tax, as  
450 defined in this section, first becoming due and actually paid during  
451 such taxable year by such person on such person's primary residence  
452 or motor vehicle in accordance with this section, provided in the case  
453 of a person who files a return under the federal income tax for such  
454 taxable year as an unmarried individual, a married individual filing  
455 separately or a head of household, one motor vehicle shall be eligible  
456 for such credit and in the case of a husband and wife who file a return  
457 under federal income tax for such taxable year as married individuals  
458 filing jointly, no more than two motor vehicles shall be eligible for a  
459 credit under the provisions of this section.

460 (b) The credit allowed under this section shall not exceed two  
461 hundred fifteen dollars for the taxable year commencing on or after  
462 January 1, 1997, and prior to January 1, 1998; for taxable years  
463 commencing on or after January 1, 1998, but prior to January 1, 1999,  
464 three hundred fifty dollars; for taxable years commencing on or after  
465 January 1, 1999, but prior to January 1, 2000, four hundred twenty-five  
466 dollars; for taxable years commencing on or after January 1, 2000, but  
467 prior to January 1, 2003, five hundred dollars; for taxable years  
468 commencing on or after January 1, 2003, three hundred fifty dollars;



469 for taxable years commencing on or after January 1, 2005, but prior to  
470 January 1, 2006, three hundred fifty dollars; and for taxable years  
471 commencing on or after January 1, 2006, [four hundred dollars] there  
472 shall be no credit. In the case of any husband and wife who file a  
473 return under the federal income tax for such taxable year as married  
474 individuals filing a joint return, the credit allowed, in the aggregate,  
475 shall not exceed such amounts for each such taxable year.

476 (c) (1) (A) For taxable years commencing prior to January 1, 2000, in  
477 the case of any such taxpayer who files under the federal income tax  
478 for such taxable year as an unmarried individual whose Connecticut  
479 adjusted gross income exceeds fifty-two thousand five hundred  
480 dollars, the amount of the credit that exceeds one hundred dollars shall  
481 be reduced by ten per cent for each ten thousand dollars, or fraction  
482 thereof, by which the taxpayer's Connecticut adjusted gross income  
483 exceeds said amount.

484 (B) For taxable years commencing on or after January 1, 2000, but  
485 prior to January 1, 2001, in the case of any such taxpayer who files  
486 under the federal income tax for such taxable year as an unmarried  
487 individual whose Connecticut adjusted gross income exceeds fifty-  
488 three thousand five hundred dollars, the amount of the credit that  
489 exceeds one hundred dollars shall be reduced by ten per cent for each  
490 ten thousand dollars, or fraction thereof, by which the taxpayer's  
491 Connecticut adjusted gross income exceeds said amount.

492 (C) For taxable years commencing on or after January 1, 2001, but  
493 prior to January 1, 2004, in the case of any such taxpayer who files  
494 under the federal income tax for such taxable year as an unmarried  
495 individual whose Connecticut adjusted gross income exceeds fifty-four  
496 thousand five hundred dollars, the amount of the credit shall be  
497 reduced by ten per cent for each ten thousand dollars, or fraction  
498 thereof, by which the taxpayer's Connecticut adjusted gross income  
499 exceeds said amount.

500 (D) For taxable years commencing on or after January 1, 2004, but

501 prior to January 1, [2007] 2006, in the case of any such taxpayer who  
502 files under the federal income tax for such taxable year as an  
503 unmarried individual whose Connecticut adjusted gross income  
504 exceeds fifty-five thousand dollars, the amount of the credit shall be  
505 reduced by ten per cent for each ten thousand dollars, or fraction  
506 thereof, by which the taxpayer's Connecticut adjusted gross income  
507 exceeds said amount.

508 [(E) For taxable years commencing on or after January 1, 2007, but  
509 prior to January 1, 2008, in the case of any such taxpayer who files  
510 under the federal income tax for such taxable year as an unmarried  
511 individual whose Connecticut adjusted gross income exceeds fifty-five  
512 thousand five hundred dollars, the amount of the credit shall be  
513 reduced by ten per cent for each ten thousand dollars, or fraction  
514 thereof, by which the taxpayer's Connecticut adjusted gross income  
515 exceeds said amount.

516 (F) For taxable years commencing on or after January 1, 2008, but  
517 prior to January 1, 2009, in the case of any such taxpayer who files  
518 under the federal income tax for such taxable year as an unmarried  
519 individual whose Connecticut adjusted gross income exceeds fifty-six  
520 thousand five hundred dollars, the amount of the credit shall be  
521 reduced by ten per cent for each ten thousand dollars, or fraction  
522 thereof, by which the taxpayer's Connecticut adjusted gross income  
523 exceeds said amount.

524 (G) For taxable years commencing on or after January 1, 2009, but  
525 prior to January 1, 2010, in the case of any such taxpayer who files  
526 under the federal income tax for such taxable year as an unmarried  
527 individual whose Connecticut adjusted gross income exceeds fifty-  
528 eight thousand five hundred dollars, the amount of the credit shall be  
529 reduced by ten per cent for each ten thousand dollars, or fraction  
530 thereof, by which the taxpayer's Connecticut adjusted gross income  
531 exceeds said amount.

532 (H) For taxable years commencing on or after January 1, 2010, but

533 prior to January 1, 2011, in the case of any such taxpayer who files  
534 under the federal income tax for such taxable year as an unmarried  
535 individual whose Connecticut adjusted gross income exceeds sixty  
536 thousand five hundred dollars, the amount of the credit shall be  
537 reduced by ten per cent for each ten thousand dollars, or fraction  
538 thereof, by which the taxpayer's Connecticut adjusted gross income  
539 exceeds said amount.

540 (I) For taxable years commencing on or after January 1, 2011, but  
541 prior to January 1, 2012, in the case of any such taxpayer who files  
542 under the federal income tax for such taxable year as an unmarried  
543 individual whose Connecticut adjusted gross income exceeds  
544 sixty-two thousand five hundred dollars, the amount of the credit shall  
545 be reduced by ten per cent for each ten thousand dollars, or fraction  
546 thereof, by which the taxpayer's Connecticut adjusted gross income  
547 exceeds said amount.

548 (J) For taxable years commencing on or after January 1, 2012, in the  
549 case of any such taxpayer who files under the federal income tax for  
550 such taxable year as an unmarried individual whose Connecticut  
551 adjusted gross income exceeds sixty-four thousand five hundred  
552 dollars, the amount of the credit shall be reduced by ten per cent for  
553 each ten thousand dollars, or fraction thereof, by which the taxpayer's  
554 Connecticut adjusted gross income exceeds said amount.]

555 (2) In the case of any such taxpayer who files under the federal  
556 income tax for such taxable year as a married individual filing  
557 separately whose Connecticut adjusted gross income exceeds fifty  
558 thousand two hundred fifty dollars, the amount of the credit shall be  
559 reduced by ten per cent for each five thousand dollars, or fraction  
560 thereof, by which the taxpayer's Connecticut adjusted gross income  
561 exceeds said amount.

562 (3) In the case of a taxpayer who files under the federal income tax  
563 for such taxable year as a head of household whose Connecticut  
564 adjusted gross income exceeds seventy-eight thousand five hundred

565 dollars, the amount of the credit shall be reduced by ten per cent for  
566 each ten thousand dollars or fraction thereof, by which the taxpayer's  
567 Connecticut adjusted gross income exceeds said amount.

568 (4) In the case of a taxpayer who files under federal income tax for  
569 such taxable year as married individuals filing jointly whose  
570 Connecticut adjusted gross income exceeds one hundred thousand five  
571 hundred dollars, the amount of the credit shall be reduced by ten per  
572 cent for each ten thousand dollars, or fraction thereof, by which the  
573 taxpayer's Connecticut adjusted gross income exceeds said amount.

574 (d) The credit allowed under the provisions of this section shall be  
575 available for any person leasing a motor vehicle pursuant to a written  
576 agreement for a term of more than one year. Such lessee shall be  
577 entitled to the credit in accordance with the provisions of this section  
578 for the taxes actually paid by the lessor or lessee on such leased  
579 vehicle, provided the lessee was lawfully in possession of the motor  
580 vehicle at such time when the taxes first became due. The lessor shall  
581 provide the lessee with documentation establishing, to the satisfaction  
582 of the Commissioner of Revenue Services, the amount of property tax  
583 paid during the time period in which the lessee was lawfully in  
584 possession of the motor vehicle. The lessor of the motor vehicle shall  
585 not be entitled to a credit under the provisions of this section.

586 (e) The credit may only be used to reduce such qualifying taxpayer's  
587 tax liability for the year for which such credit is applicable and shall  
588 not be used to reduce such tax liability to less than zero.

589 (f) The amount of tax due pursuant to sections 12-705 and 12-722  
590 shall be calculated without regard to this credit.

591 (g) For the purposes of this section: (1) "Property tax" means the  
592 amount of property tax exclusive of any interest, fees or charges  
593 thereon for which a taxpayer is liable, or in the case of any husband  
594 and wife who file a return under the federal income tax for such  
595 taxable year as married individuals filing a joint return, for which the

596 husband or wife or both are liable, to a Connecticut political  
 597 subdivision on the taxpayer's primary residence or motor vehicles; (2)  
 598 "motor vehicle" means a motor vehicle, as defined in section 14-1, as  
 599 amended, which is privately owned or leased; and (3) property tax first  
 600 becomes due, if due and payable in a single installment, on the date  
 601 designated by the legislative body of the municipality as the date on  
 602 which such installment shall be due and payable and, if due and  
 603 payable in two or more installments, on the date designated by the  
 604 legislative body of the municipality as the date on which such  
 605 installment shall be due and payable or, at the election of the taxpayer,  
 606 on the date designated by the legislative body of the municipality as  
 607 the date on which any earlier installment of such tax shall be due and  
 608 payable.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2006	New section
Sec. 2	July 1, 2006	New section
Sec. 3	July 1, 2006	New section
Sec. 4	July 1, 2006	3-55i
Sec. 5	July 1, 2006	3-55j
Sec. 6	July 1, 2006	3-55l
Sec. 7	July 1, 2006	22a-27j(b)
Sec. 8	July 1, 2006	New section
Sec. 9	<i>from passage and applicable to assessment years commencing on or after October 1, 2005</i>	12-81
Sec. 10	July 1, 2006	14-163
Sec. 11	July 1, 2006	New section
Sec. 12	July 1, 2006	New section
Sec. 13	<i>from passage and applicable to taxable years commencing on or after January 1, 2006</i>	12-704c

**Statement of Purpose:**

To implement the Governor's budget recommendations.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*